

## Message Text

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PAGE 01 BUENOS 08900 062242Z

12

ACTION TRSE-00

INFO OCT-01 ARA-06 ISO-00 EB-07 L-02 COME-00 CIAE-00

INR-05 NSAE-00 RSC-01 OMB-01 /023 W

----- 112521

R 062102Z DEC 74

FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC 9105

INFO AMCONSUL SAO PAULO

LIMITED OFFICIAL USE BUENOS AIRES 8900

ATTN REGIONAL IRS REP; PASS TREASURY IRS; COMMERCE

E.O. 11652: N/A

TAGS: ECEM, EFIN, TECH, AR

SUBJ: ELEGIBILITY FOR FOREIGN TAX CREDIT

1. RECENTLY A REPRESENTATIVE OF US COMPANY HERE REQUESTED EMBASSY ASSISTANCE IN OBTAINING CLARIFICATION US TAX LAW AS IT APPLIES TO CREDIT FOR FOREIGN TAXES.

2. A US ENGINEERING COMPANY HAS SIGNEE CONTRACT WITH NATIONAL PETROLEUM ENTITY, (YPF) PROVIDING FOR TRANSFER BASIC PROCESS ENGINEERING WORK DONE IN US. CNTRACT CLEARLY STATES FOREIGN EXCHANGE PAYMENT TO BE FREE OF ALL TAXES. HOWEVER US COMPANY HAS RECEIVED INFORMAL ADVANCE NOTIFICATION THT REGISTRY, WHICH MUST APPROVE ALL CONTRACTS TRANSFERRING TECHNOLOGY, LIKELY TO APPROVE CONTRACT ONLY ON BASIS OF 55 PERCENT CASH PAYMENT AND 45 PERCENT WITHHOLDING RECEIPTS FOR PAYMENT LOCAL TAXES, WHICH US COMPANY COULD THEN USE TO OBTAIN FOREIGN TAX CREDIT IN US.

3. US COMPANY HAS REQUESTED OFFICIAL (OR EVEN INFORMAL) USG VIEW AS TO WHETHER WITHHOLDING RECEIPTS COULD IN FACT BE USED TO BOTAIN FOREIGN TAX CREDIT UNDER US LAWS INCASE OF PROCESS ENGINEERING WORK CARRIED OUT IN US. REPORTEDLY LAWYERS IN HOME OFFICE THINK NOT. US COMPANY CLEARLY WISHES THIS INFORMATION

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PAGE 02 BUENOS 08900 062242Z

FOR POSSIBLE FUTURE DISCUSSION WITH REGISTRY IF REQUIRED.

4. ACTION REQUESTED: EMBASSY WOULD APPRECIATE ANY INFORMATION  
WASHINGTON CAN PROVIDE WHICH WOULD BE HELPFUL TO THIS  
COMPANY.  
HILL

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TAX LAW, BUSINESS FIRMS, TAX RELIEF  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 06 DEC 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** izenbei0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974BUENOS08900  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740355-0730  
**From:** BUENOS AIRES  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19741255/aaaabvje.tel  
**Line Count:** 66  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION TRSE  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** izenbei0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 05 SEP 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <05 SEP 2002 by boyleja>; APPROVED <13 MAR 2003 by izenbei0>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ELEGIBILITY FOR FOREIGN TAX CREDIT  
**TAGS:** ECEM, EFIN, TECH, AR, US  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005